



# House of Representatives

General Assembly

**File No. 503**

February Session, 2012

Substitute House Bill No. 5298

*House of Representatives, April 18, 2012*

The Committee on Judiciary reported through REP. FOX, G. of the 146th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING FUNDRAISING BY VETERANS' ORGANIZATIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 27-100f of the 2012 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective from passage*):

4 (a) On or before July 1, 2012, the Department of Veterans' Affairs  
5 shall publish on the department's Internet web site an informational  
6 page listing any benefits, services or programs offered to veterans or  
7 their families by any state or federal agency, department or institution.  
8 The department shall maintain the informational page after said date  
9 and shall update the informational page annually. The department  
10 shall publish on the informational page any information concerning  
11 the eligibility requirements and application process for such benefits,  
12 services or programs, the name and contact information of any entity  
13 offering such benefits, services or programs, and a link to the Internet  
14 web site for such entity.

15       (b) On or before July 1, 2013, the Commissioner of Veterans' Affairs,  
16 or the commissioner's designee, shall, within available funds and in  
17 consultation with the Commissioner of Consumer Protection, publish a  
18 list of preferred charitable nonprofit corporations, incorporated  
19 pursuant to chapter 602 or any predecessor statutes thereto, that hold  
20 themselves out to be established for any benevolent, educational,  
21 philanthropic, humane, scientific, patriotic, social welfare or advocacy  
22 purpose relating to or on behalf of veterans. Nonprofit corporations  
23 may apply to the Commissioner of Veterans' Affairs for inclusion on  
24 the list by submitting information regarding their nonprofit activities  
25 to the Department of Veterans' Affairs on a form prescribed by the  
26 commissioner and any additional information the commissioner  
27 deems necessary to determine whether a nonprofit corporation should  
28 be included on the list. In compiling the list, said commissioners shall  
29 consider the following, including, but not limited to: (1) Charity  
30 accountability standards; (2) the ratio of charitable activity  
31 expenditures to fundraising and administrative expenditures; (3)  
32 violations of chapter 419d and regulations established pursuant to  
33 chapter 419d; and (4) any information provided to the Department of  
34 Veterans' Affairs by the nonprofit corporation. The list shall be  
35 published on the informational Internet web site page established in  
36 subsection (a) of this section and shall bear a disclaimer as follows:  
37 "This list is prepared for the public solely for the purpose of  
38 information. The state of Connecticut provides no warranty about the  
39 content or accuracy of the content herein."

40       Sec. 2. (NEW) (*Effective from passage*) (a) No person, firm or  
41 corporation shall hold itself out to be a veterans' charitable  
42 organization and, with the intent to defraud another, solicit charitable  
43 contributions to inure to the benefit or profit of any person, firm or  
44 corporation other than the veterans' charitable organization. For the  
45 purpose of this section, "veterans' charitable organization" means any  
46 person, firm or corporation that is or holds itself out to be established  
47 for any benevolent, educational, philanthropic, humane, scientific,  
48 patriotic, social welfare or advocacy purpose relating to or on behalf of  
49 veterans.

- 50 (b) Any person, firm or corporation that violates any provision of  
 51 subsection (a) of this section shall be guilty of a class C misdemeanor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	27-100f
Sec. 2	<i>from passage</i>	New section

**Statement of Legislative Commissioners:**

In the last sentence of section 1(b), "page" and "subsection (a) of" were inserted for clarity, and in the second sentence of section 2(a), ", firm or corporation that" was substituted for "who" for statutory consistency.

<b>VA</b>	<i>Joint Favorable Subst. C/R</i>	CE
<b>CE</b>	<i>Joint Favorable C/R</i>	JUD
<b>JUD</b>	<i>Joint Favorable Subst.-LCO</i>	

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Judicial Dept.	GF - Potential Revenue Gain	Indeterminate	Indeterminate
Correction, Dept.	GF - Potential Cost	Indeterminate	Indeterminate

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill classifies representing oneself as a veterans' charitable organization with the intent to defraud as a Class C misdemeanor. To the extent that new violations occur, outside of violations currently captured under other statutes, and fines and/or jail time are levied, the bill will (1) increase revenue for the Judicial Department and (2) cost the Department of Correction. The bill carries a fine of up to \$500 and three months in prison. On average, it costs \$11,041 to incarcerate an offender for three months.

There are no costs associated with requiring the Department of Veterans' Affairs, in consultation with the Department of Consumer Protection, to develop a list of preferred veteran's charities and publish the list on the agency's website. The information required to evaluate and rank Veterans' organizations is readily available.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and number of violations.

**OLR Bill Analysis****sHB 5298****AN ACT CONCERNING FUNDRAISING BY VETERANS' ORGANIZATIONS.****SUMMARY:**

This bill prohibits any person, firm, or corporation from holding itself out to be a veterans' charitable organization and, with the intent to defraud, soliciting charitable contributions that benefit or profit any person, firm, or corporation other than the veterans' charitable organization. A violation is a class C misdemeanor, which is punishable by up to three months' imprisonment, up to a \$500 fine, or both.

The bill defines "veterans' charitable organization" as any person, firm, or corporation that is or holds itself out to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare, or advocacy purpose relating to or on behalf of veterans.

The bill also requires the Department of Veterans' Affairs (DVA) commissioner to publish a list of preferred charitable nonprofit corporations meeting specified criteria. She must do this within available funds and in consultation with the Department of Consumer Protection (DCP) commissioner by July 1, 2013.

The DVA commissioner must publish the list on the department's informational Internet website page.

EFFECTIVE DATE: Upon passage

**DVA PREFERRED CHARITABLE NONPROFIT CORPORATIONS LIST*****Listing Criteria***

The bill requires the DVA commissioner to compile and publish a list of veterans-related nonprofit corporations. She may include a corporation on the list if it was incorporated as a nonstock corporation for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare, or advocacy purpose relating to or on behalf of veterans.

In compiling the list, the DVA and DCP commissioners must consider:

1. charity accountability standards,
2. the ratio of charitable activity expenditures to fundraising and administrative expenditures,
3. violations of the state Solicitation of Charitable Funds Act and corresponding regulations, and
4. any information the nonprofit corporation provided the DVA.

### ***Publication***

The list must be published on the website DVA must maintain regarding veterans' benefits, services, and programs and include the following disclaimer: "This list is prepared for the public solely for the purpose of information. The State of Connecticut provides no warranty about the content or accuracy of the content herein."

### ***Inclusion on the List***

Under the bill, nonprofit corporations may apply to the DVA commissioner for inclusion on the list of preferred charitable nonprofit corporations by submitting information to DVA regarding their nonprofit activities on a form the commissioner creates. The commissioner may require any additional information she deems necessary to determine whether a nonprofit corporation should be included on the list.

## **COMMITTEE ACTION**

Select Committee on Veterans' Affairs

Joint Favorable Substitute Change of Reference  
Yea 9 Nay 0 (03/08/2012)

Commerce Committee

Joint Favorable Change of Reference  
Yea 18 Nay 0 (03/22/2012)

Judiciary Committee

Joint Favorable  
Yea 45 Nay 0 (04/02/2012)